

Incentives to green building

A. For Residential Constructions

1. Tax Credit for existing homes (Insulation, windows, air and duct sealing). (Federal)

Existing Homes are eligible for tax credit, if some measures are applied. There is a \$500 cap on the credit per home, including the amount received for heating and cooling equipment. Lower caps are set for some individual measures. These credits are available for buildings or systems placed in service from January 1, 2006 through December 31, 2007.

Incentives:

For insulation a taxpayer can take a credit up to 10% of the costs. The \$500 cap applies to each home over this two year period, so if you take a \$350 credit the first year, the maximum credit in the second year is \$150.

Eligible measures are:

- Added insulation to walls, ceilings, or other part of the building envelope: rules set by the IRS based on the 2000 IECC model energy code.
- Replacement windows and skylights: credit capped at \$200: rules set by the IRS based on the 2000 IECC model energy code. Energy Star windows will almost always qualify.
- External doors.
- Pigmented metal roofs: pigmented coatings must meet the Energy Star Requirements.

Qualification:

Taxpayers will need information on when the measures were placed in service and may need to demonstrate, in ways to be specified in the IRS rules, that the measures meet the qualification criteria.

For further information visit: www.energytaxincentives.org

2. Home Heating & Cooling Equipment Tax Credit. (Federal)

These credits are available for systems placed in service from January 1, 2006, through December 31, 2007. There is a \$500 cap on the credit per home, including the amount received for insulation, windows, air and duct sealing as described in the previous section.

Eligible Equipment & Incentives:

Purchasers of highly efficient heating, cooling, and water heating equipment can take tax credits of up to \$300 for purchasing qualifying equipment.

- High-efficiency gas, oil, and propane furnaces and boilers: \$150
- High-efficiency central air conditioning units, including air-source and ground-source heat pumps: \$300

- High-efficiency fans for heating and cooling systems: \$50
- High-efficiency water heaters, including heat pump water heaters: \$300

Qualification:

Taxpayers will need information on when the equipment was placed in service and information on the efficiency of the equipment in order to demonstrate that the equipment meets the qualification criteria.

Manufacturers and retailers should be able to help you tell whether a specific product qualifies.

- **Furnaces and boilers:** Annual Fuel Use Efficiency (AFUE) 95 or higher
- **Central air conditioning units:**
 - Must meet the highest tier standards set by the Consortium for Energy Efficiency (CEE), which require a Seasonal Energy Efficiency Ratio (SEER) of 15 and an Energy Efficiency Ratio (EER) of 12.5. SEER measures performance throughout the cooling season, EER measures performance on a very hot day. For information on the CEE specification see: www.cee1.org/resid/rs-ac/res-ac_specs.pdf
 - Air-source heat pumps: must have a Heating Seasonal Performance Factor (HSPF) 9 or greater, SEER 15 or higher, and EER 13 or higher.
 - Ground-source heat pumps: must meet the following criteria (the same criteria as for Energy Star): ground-source heat pumps must include a desuperheater (which preheats water for a water heater) or an integrated water heating system.
 - Closed-loop systems—14.1 cooling EER and 3.3 heating Coefficient of Performance (COP)
 - Open-loop systems—16.2 EER and 3.6 COP
 - Direct-expansion systems—15 EER and 3.5 COP
- **Fans for heating and cooling systems:** fan uses no more than 2% of total heating system energy use, as defined by DOE test procedure. For more information, see: www.gamanet.org
- **Water heaters:**
 - Gas or propane water heaters: Energy Factor of at least 0.8. The only models that meet this standard currently are tankless water heaters and some systems that combine both space and water heating.
 - Heat pump water heaters: Energy Factor of at least 2.0.

For further information visit: www.energytaxincentives.org

3. Residential and Commercial Solar Systems. (Federal)

Homeowners are eligible for tax credits for qualified solar water heating and photovoltaic systems. Solar water heating systems produce hot water, photovoltaic systems produce electricity. Businesses are eligible for similar credits for solar equipment, including certain solar lighting systems. The credits are available for systems “placed in service” in 2006 and 2007. The tax credits go to individuals who install qualifying systems on homes they use as a residence, and to businesses that install solar equipment for their use.

Incentives:

The tax credits are for 30% of the cost of the system. For individuals the maximum credit is \$2000 for photovoltaic systems and \$2000 for solar water heating systems in any tax year. To qualify, residential systems must meet certain criteria as follows:

Solar water heating:

- System must be certified for performance by the Solar Rating Certification Corporation (SRCC) or a comparable entity endorsed by the state government in which the system is located. SRCC is an organization set up by the solar industry to test and certify equipment so purchasers have an independent assessment of system performance.
- At least half of the energy used by the system to heat the water must be solar energy. The credit is not available for expenses for swimming pools or hot tubs.

Photovoltaic systems:

- System must provide electricity for the residence, and must meet applicable fire and electrical code requirement

Qualification:

To qualify, tax payers will probably need to have evidence regarding:

- The cost of the system (including labor and piping or wiring to connect the system to a home's plumbing and/or electrical systems),
- When it was placed in service,
- Whether the system meets the qualifying criteria discussed above.

For further information visit: www.energytaxincentives.org

4. Fuel Cells and Microturbines Tax Credits. (Federal)

Fuel cells generate electricity through a chemical process. They are somewhat similar to batteries, except fuel must be fed continuously to them. Microturbines are small power generation systems using a gas turbine engine, based on related turbines used in transportation. The credits are available for systems "placed in service" in 2006 and 2007. The credits are primarily for business use of this equipment, although individuals are eligible for the fuel cell tax incentive.

Incentives:***For fuel cells:***

- Credits are for 30% of the cost, up to \$1000 per kW of power that can be produced.
- To qualify systems must have an efficiency of at least 30% and must have a capacity of at least 0.5 kW.

For microturbines:

- Credits are for 10% of the cost, up to \$200 per kW of power that can be produced.
- To qualify, systems must have an efficiency of at least 26% and must have a capacity of less than 2,000 kW.

Qualification:

To qualify, taxpayers will probably need to have evidence regarding:

- The cost of the system (this includes the power generation system itself and “associated balance of plant components, including, in the case of microturbines, “secondary components located between the existing infrastructure for fuel delivery and the existing infrastructure for power distribution”).
- The capacity of the system.
- The efficiency of the system.
- When it was placed in service.

For further information visit: www.energytaxincentives.org

5. New Homes Tax Credits. (Federal)

A credit of \$2000 is available to home builders who build homes (including both site-built and manufactured homes) projected to save at least 50% of the heating and cooling energy of a comparable home that meets the standards of the 2003 International Energy Conservation Code, including supplements. A \$1000 credit is available to manufactured home producers for models that save 30% or that qualify for the federal Energy Star Homes program.

These credits are available for buildings or systems placed in service from January 1, 2006, through December 31, 2007.

Incentives:

Homes can qualify for these credits using a wide range of energy efficiency measures. These can include: better-insulated foundations, walls, and ceilings; high-efficiency windows; well-sealed framing and air ducts; high-efficiency heating and cooling systems; and other innovative design and construction methods.

- Credits are available for homes placed in service (i.e. ready and available for use) from January 1, 2006 through December 31, 2007.
- *Site-built homes:* Builders can take a credit of \$2000 per home, in the year that the home is sold. The home must be certified to use at least 50% less energy than a comparable home that complies with the standards provided in the 2003 IECC, including supplements, and uses a SEER 13 air conditioner. Building envelope improvements must account for at least 1/5 of the 50% energy savings.
- *Manufactured homes:* Producers can take a credit of \$2000 per home, in the year that the home is sold, for meeting the 50% savings criterion. Alternately, they can claim a credit of \$1000 for each home that is certified to save 30% or that qualifies for the U.S. EPA Energy Star Homes program.

Eligibility:

These credits go to the builder or producer of the home.

Qualification:

- *Site-built homes:*
 - DOE is now preparing guidelines on suggested design and construction techniques for reaching the 50% savings threshold.
 - A presentation at the January 2006 International Builder's Show identifies possible packages for different climate zones.
 - Qualifying rules are to be issued by the IRS during 2006. Taxpayers will need information on when the new home was placed in service and will need

a certification, as described in the forthcoming IRS rules, that the home meets the savings threshold.

- Manufactured homes: Consult the U.S. EPA website at: www.energystar.gov

For further information visit: www.energytaxincentives.org

6. Appliances Tax Credits. (Federal)

Manufacturers are eligible for tax credits for qualifying models of dishwashers, clothes washers, and refrigerators. The credits are available for models produced in 2006 and 2007.

Incentives:

Credits are available to manufacturers as follows:

- Clothes washers: \$100 for models that meet the 2007 Energy Star® criteria.
- Refrigerators:
 - \$75 for models that save at least 15% relative to 2001 federal standards (this credit is available only in 2006). This is the same as the current Energy Star criteria.
 - \$125 for models that save at least 20% relative to 2001 federal standards.
 - \$175 for models that save 25% or more relative to 2001 federal standards.
- Dishwashers: Models that meet the 2007 Energy Star criteria are eligible for a credit. The incentive will likely be somewhere around \$30 per qualifying dishwasher.

Manufacturers only receive these credits for the increase in production of qualifying appliances over a three-year rolling baseline. Each manufacturer is limited to a total of \$75 million for all credits under this provision. Of that cap, no more than \$20 million can be claimed for the lowest tier of qualifying refrigerators.

Qualification:

Only manufacturers can qualify directly for the credits.

Refrigerators: Information on the refrigerators that qualify can be found on the Energy Star web page: www.energystar.gov/index.cfm?c=refrig.pr_refrigerators.

Clothes washers: The 2007 Energy Star criteria mandate a Modified Energy Factor (MEF) of 1.72, and a maximum Water Factor (WF) of 8.0. For more information on this specification, visit their website:

www.energystar.gov/index.cfm?c=revisions.clotheswash_spec

Dishwashers: The 2007 Energy Star criteria mandate an Energy Factor (EF) of 0.65.

For more information on this specification, visit their website:

www.energystar.gov/index.cfm?c=revisions.dishwash_spec

For further information visit: www.energytaxincentives.org

7. Solar Domestic Water Heating Tax Credits. (State)

Solar domestic water heating systems use roof-mounted solar collectors to pre-heat incoming cold water so that on a sunny day, little or no backup water heating is needed. Typically these systems reduce annual hot water energy needs by 50-70 percent and save \$150 to \$250 per year on backup energy needs.

- Tax Credit is based on estimated energy savings for a typical four person household. The tax credit amount is \$0.60 per kWh saved up to \$1,500. Credit is limited to 50 percent of the total system cost.

Eligible Equipment:

- Equipment must be new and either OG-300 certified or listed as a “Research and Development” system by the Oregon Department of Energy.
- System must be verified by a Tax Credit Certified Technician.

For further information visit: <http://egov.oregon.gov/ENERGY/>

8. Solar Pool Heating Tax Credits. (State)

Solar Pool heating systems are very effective in increasing swimming pool temperatures under warm sunny conditions. Most collector systems use unglazed type collectors which are not effective under cloudy, rainy or cool conditions. Solar pool heating systems can eliminate the need for backup heat during most of the typical outdoor swimming season. Annual savings vary greatly depending on the size of the pool and how many months it is used each year. Use of a pool blanket is highly recommended with or without a solar pool heating system. Tax credit amount is \$0.15 per kWh saved up to \$1,500. Credit is limited to 50 percent of the total system cost.

Eligible Equipment:

- Equipment must be new and collector must come with a 10-year warranty.
- Collector area must be at least 40 percent of the pool surface area if there is a pool blanket.
- Collector area must be at least 60 percent of the pool surface area without pool blanket.

For further information visit: <http://egov.oregon.gov/ENERGY/>

9. Solar Electric (PV) Tax Credits. (State)

Solar electric systems generate electricity directly from the sun using photovoltaic modules. For homes with utility power, Oregon’s “Net Metering Law” requires the local utility to accept energy onto their wires. The homeowner is only billed for the monthly net energy consumption of electricity. If the solar electric system produces more energy than is used by a household during a billing period the local utility’s individual policy specifies the surplus energy’s compensation value.

Solar electric power systems are extremely robust, with standard module warranties of 20-25 years. Typical residential systems generate between 2,000 and 3,000 watts of energy under full sunlight and save between 2,000 and 4,000 kWh of electricity in an average year. This translates to between \$150 and \$300 per year of electricity. Tax credit is based on \$3 per watt up to \$6,000. \$1,500 maximum credit can be claimed per year.

Eligible Equipment:

- System must be verified by a tax-credit certified technician.
- Systems must be comprised of new UL listed equipment.
- Minimum system is 2000 watts.

For further information visit: <http://egov.oregon.gov/ENERGY/>

10. Wind Systems Tax Credits. (State)

You can produce electricity with a wind system and get a tax credit of Qualifying costs include wind measuring equipment, turbines, towers, associated components, engineering costs, utility interconnection equipment and installation.

Incentives

60 cents per estimated kilowatt hour saved during the first year, up to \$1,500.

Eligible Equipment

You will need wind information for your location and calculations showing how much energy you expect to produce.

Qualification

Qualifying costs include wind measuring equipment, turbines, towers, associated components, engineering costs, utility interconnection equipment and installation. Applications for tax credits must be received by the Oregon Department of Energy no later than April 1 of the year following the purchase, even if the tax credit is carried forward.

For further information visit: <http://egov.oregon.gov/ENERGY/>

11. Water Heating Systems Tax Credits. (State)

You can get a credit on your Oregon income taxes for purchasing premium efficiency water heaters, solar water heaters, and wastewater heat recovery systems.

Incentives

The tax credit is based on the amount of energy saved above standard models. The tax credit is the amount noted on the list of qualifying equipment or 25% of the net purchase price of the equipment (not including labor), whichever is less.

Eligible Equipment

Eligible models are included on the Oregon Department of Energy list of qualifying systems.

The equipment must be located in an Oregon dwelling that is your primary or secondary residence to qualify for a tax credit.

Qualification

To qualify for a tax credit, you must have an Oregon income tax liability. If you do not have an Oregon income tax liability, you may choose to transfer your tax credit to an

individual who does. This is done by checking the Pass-through Option section on the application form.

Applications for tax credits must be received by the Oregon Department of Energy no later than April 1 of the year following the purchase, even if the tax credit is carried forward. The maximum amount of tax credits a resident may receive per year is \$1,000 from the appliance portion of the program.

Water Heaters

Only premium efficiency water heaters are eligible for a tax credit. The premium efficiency water heaters are tankless water heaters (also called instantaneous, on-demand or point-of-use), heat pump water heaters and combination ("combo") space and water heating systems (see discussion below). Conventional tank-type water heaters are not efficient enough to qualify for a tax credit.

Qualifying water heaters must have a minimum energy efficiency rating of 70 %. Most of those that qualify for a tax credit have an 80 % energy efficiency rating. In comparison, a gas water heater in the typical home is only 55% energy efficient. This means the average homeowner will save about 40% of their annual energy use by installing a qualifying water heater.

Wastewater Heat Recovery

Wastewater heat recovery systems use the heat from shower water to cut energy use for water heating by 8 to 12 %. Qualifying models are eligible for a tax credit of \$80 to \$120 depending on energy savings, not to exceed 25 % of the cost. You need to have access to at least 5 feet of vertical drainpipe from the shower or on the main water drain. You can install the system yourself or hire a plumber. The costs of other installation components are also eligible.

"Combo" Space and Water Heating Systems

Premium efficiency combination ("combo") space and water heating systems consist of a condensing water heater that serves hot water needs and warms supply air for space heating (providing hot water to a coil in an air handler, baseboard heaters or in-floor radiant heat).

The tax credit for combo systems can be done on the basis of the efficiency of the water heater. The tax credit is the amount listed for qualifying water heater models or 25% of the purchase price, whichever is less. Qualifying combo space and water heaters, instructions and the applications form can be found under the heading on the right-hand column "Water Heaters and Wastewater Heat Recovery Systems."

The other tax credit choice if the combo system has an Annual Fuel Utilization Efficiency (AFUE) of 90 % or better and the air handler has an electronically commutated motor, is that the resident can take the \$350 tax credit for the condensing furnace *instead of* the tax credit for the water heater.

Solar Water Heating

It is possible to get a tax credit of up to \$1,500 for buying a solar water heating system for your home. Oregon's certified solar contractors can pre-approve your tax credit. Be

sure to get an OG300-certified system that meets the Oregon Solar Energy Industry Association tank standard.

For further information visit: <http://egov.oregon.gov/ENERGY/>

12. Fuel Cells Tax Credits. (State)

You can get a tax credit on your Oregon income taxes for purchasing a fuel cell and helping preserve Oregon's environment. Fuel cells work like batteries, but run on almost any kind of fuel. They take hydrogen from the fuel and combine it with oxygen, making an electric current in the process. Because they don't burn the fuel and are super-efficient, the only by-products are water, heat and a little carbon dioxide.

Incentives

Fuel cells will be entering the residential market soon. You can use them to make electricity, heat your home and water and get a tax credit of 60 cents per estimated kWh saved during the first year, up to \$1,500. The fuel cell system must have a minimum rated stack capacity of 0.5 kilowatts and a maximum rated system capacity of 10 kilowatts.

For further information visit: <http://egov.oregon.gov/ENERGY/>

13. Passive Solar Space Heating Tax Credits. (State)

Passive solar space heating relies on the use of windows, and a home's design and construction materials to collect and store heating energy while at the same time increasing day lighting and reducing air conditioning needs. Passive solar heating works in all of Oregon's climate zones. Passive solar space heating can easily reduce a home's heating needs by 20 to 30 percent. More aggressive designs can achieve 60 percent in sunnier Oregon climates. Energy savings can vary greatly (from \$150 to \$500 or more per year) depending on household size and design. New or retrofit homes are eligible. Tax credit amount is \$0.60 per kWh saved up to \$1,500

Eligible Equipment:

- System must provide at least a 20 percent reduction in annual space heating needs.
- Tax credit amount is \$0.60 per kWh saved up to \$1,500.
- Energy savings are determined by the Oregon Department of Energy.
- Systems must meet minimum passive solar design criteria.

For further information visit: <http://egov.oregon.gov/ENERGY/>

14. Active Solar Space Heating Tax Credits. (State)

Active solar space heating systems use solar collectors to heat water that is used to heat the home. These systems are more complicated than any of the other solar energy systems and should be designed and built by trained or experienced professionals. Active solar space heating systems can reduce a home's heating needs by 20 to 80 percent. Energy savings vary greatly (from \$150 to \$500 or more per year) depending on household size and design. Tax credit amount is \$0.60 per kWh saved up to \$1,500.

Energy savings are estimated by the solar professional and reviewed the Oregon Department of Energy.

Eligible Equipment:

- System must be verified by a tax-credit certified technician.
- System must provide at least a 15 percent reduction in annual space heating needs.

For further information visit: <http://egov.oregon.gov/ENERGY/>

15. Appliances Tax Credit. (State)

Premium-efficiency dishwashers, clothes washers, and refrigerators are eligible for a tax credit ranging from \$50 to \$180. The specific model must be included on the Oregon Department of Energy list of qualifying premium-efficiency appliances. The appliance must be new and not previously used to qualify for a tax credit.

Applications for tax credits must be received by the Oregon Department of Energy no later than April 1 of the year following the purchase, even if the tax credit is carried forward. The maximum amount of tax credits for premium-efficiency appliances, heating, ventilation, and air conditioning equipment that an Oregon resident may receive each year is \$1,000.

Incentives:

Premium-efficiency dishwashers, clothes washers, and refrigerators are eligible for a tax credit ranging from \$50 to \$180. The tax credit is based on the amount of energy saved above standard models. The tax credit is the amount noted on the list of qualifying appliances or 25 percent of the net purchase price of the appliance, whichever is less.

Eligible Appliances

Energy Star® appliances do not necessarily qualify for an Oregon tax credit. Energy Star® is a federal program. Oregon requires that appliances exceed federal standards by specific levels to qualify for an Oregon tax credit.

Refrigerator / freezers

As of August 2, 2004, refrigerators-freezers qualifying for an Oregon Residential Energy Tax Credit must have at least 20 percent lower energy consumption than allowed by the July 1, 2001 US DOE standards for refrigerators.

The bottom line: While all Oregon tax credit-eligible refrigerator-freezers will be Energy Star, not every Energy Star product will qualify for an Oregon tax credit.

A new rule clarification states that Oregon tax credits are available only for refrigerator-freezers with fully automatic defrost cycles, and with net refrigerated volumes between 12 and 30 cubic feet.

Clothes washers

The Oregon tax credit minimum qualifying Modified Energy Factor (MEF) has been adjusted upward slightly, from 1.40 to 1.42, and will be consistent with the new minimum Energy Star MEF. Oregon's maximum Water Factor (WF) requirements remain the same (9.5 gal/cu ft/cycle for larger models, 10.25 gal/cu ft/cycle for smaller models).

Therefore, it remains possible that some Energy Star models may not qualify for tax credits in Oregon.

The clothes washer tier structure changed on January 1, 2004. The second efficiency tier will begin at MEF 1.60, with a corresponding WF maximum of 8.5 gal/cu ft/cycle. The third tier begins at MEF 1.80, with a corresponding WF maximum of 7.5 gal/cu ft/cycle. The new maximum tax credit amounts are \$115 at MEF 1.42, \$150 at MEF 1.60, and \$180 at MEF 1.80.

Dishwashers

Dishwashers qualifying for an Oregon Residential Energy Tax Credit must have an energy factor of 0.6 cycles / kWh or higher.

Also, qualifying dishwashers must have a maximum water use per cycle, as tested, of 6.5 gallons. To conserve water and to be consistent with the water usage requirement for tax credit qualifying clothes washers, a water usage factor was added to the requirements for tax credit qualifying dishwashers.

Qualification

To qualify for a tax credit, you must have an Oregon income tax liability. If you are an Oregon resident and do not have an Oregon income tax liability, you may choose to transfer your tax credit to an Oregon resident who does. This is done by checking the Pass-through Option section on the application form, which will give more information. The appliance must be located in an Oregon dwelling that is your primary or secondary residence to qualify for a tax credit. Motor homes or recreational vehicles do not qualify as dwellings.

For further information visit: <http://egov.oregon.gov/ENERGY/>

16. Tax Exemption for properties equipped with alternative energy system.

Property equipped with solar, geothermal, wind, water, fuel cell or methane gas energy systems for the purpose of heating, cooling or generating electrical energy shall be exempt from ad valorem taxation in an amount that equals any positive amount obtained by subtracting the real market value of the property as if it were not equipped with such systems, from the real market value of the property so equipped.

This section applies to tax years beginning prior to July 1, 2012.

This section does not apply to property owned or leased by any individual or legal entity whose principal business activity is directly or indirectly the production, transportation or distribution of energy, including but not limited to public utilities as defined in ORS 757.005 and people's utility districts as defined in ORS 261.010.

For Businesses

1. Sustainable Buildings Tax Credits (LEED) (State)

Oregonians who build a sustainable commercial building are eligible for a tax credit from the Oregon Department of Energy. Sustainable buildings use energy as efficiently as possible by today's standards. The building must meet an established standard set by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED™).

The sustainable building tax credit offers a new approach for business owners to receive a tax credit. It is based on the square footage of the entire building. The sustainable building tax credit incentive helps offset the cost of applying for the LEED™ rating and the extra design and commissioning costs.

The LEED™ rating system is based on accepted energy and environmental principles that evaluate environmental performance from a "whole building" perspective over a commercial building's life cycle. It provides a definitive standard for what constitutes a "sustainable" building. The Council awards different levels of building certification. Oregon has selected the second level, or Silver rating, as its standard for the tax credit. In addition, to the credit requirements for the LEED™ Silver rating, the Oregon Department of Energy requires:

- At least two credits are earned for energy efficiency.
- At least one credit for additional commissioning beyond the LEED™ prerequisite requirements.
- A report on the amount of solar radiation to be received by the building annually.

Application

The Oregon Department of Energy has a specific Preliminary Certification Application form for the sustainable tax credit.

You must apply for the tax credit before starting your project. You may request a waiver, but it will be granted only for business hardships or circumstances beyond your control that caused you to delay your application. The request must be made in writing within 90 days of project start and describe clearly the hardship or circumstances.

Submit the Application for Preliminary Certification for Sustainable Buildings Your application must be complete and include payment for review costs. You'll receive a Preliminary Certificate when your application is approved. That's your go-ahead to start the project.

Following the completion of the project and receipt of the LEED certificate, the owner must provide documentation to the Oregon Department of Energy. You will receive additional information with your Preliminary Certificate on how to apply for the Final Certificate.

2. Commercial Buildings Tax Credit (Federal)

A tax deduction of up to \$1.80 per square foot is available to owners or tenants (or designers, in the case of government-owned buildings) of new or existing commercial buildings that are constructed or reconstructed to save at least 50% of the heating, cooling, water heating, and interior lighting energy cost of a building that meets ASHRAE Standard 90.1-2001. Partial deductions of up to \$.60 per square foot can be taken for comparable reductions from any one of three building systems—the building envelope, lighting, or heating and cooling system—that meets goals consistent with achieving the 50% savings for the entire building. An interim system-specific goal for lighting is provided directly in the legislation and is valid until and unless the IRS issues a different final regulation. The temporary lighting provision allows prorogated deductions from 30 cents to 60 cents per square foot for lighting systems as described below. These deductions are available for buildings or systems placed in service from January 1, 2006, through December 31, 2007.

Incentives

The builder (or designer in the case of publicly-owned buildings) can take the deduction in the year the property was placed in service. The building or system must be certified, with inspection and testing, as meeting the energy cost savings goal according to rules to be issued by the IRS in consultation with the Department of Energy. The certification must establish compliance using software that is certified to the IRS as meeting requirements that the IRS will establish. In the case of lighting systems, simpler certification methods should be possible.

For lighting systems, unless and until the IRS issues a different final rule, the law specifies that a deduction of \$0.30 per square foot can be taken if the lighting system employs dual switching (ability to switch roughly half the lights off and still have fairly uniform light distribution) and reduces installed lighting power by at least 25% from values specified in specific cited tables in ASHRAE Standard 90.1-2001. As lighting power reductions climb from 25% to 40%, the deduction is increased proportionally, up to \$0.60 for a 40% power reduction (plus the dual switching). This prorated credit does not apply to warehouse lighting.

Qualification

The person or organization that makes the expenditures for construction is generally the recipient of the allowed tax deductions. This is usually the building owner, but for some HVAC or lighting efficiency projects, it could be the tenant. For government-owned buildings, the deduction may be taken by the building or system designer.

Taxpayers will need information on when the measures were placed in service, the cost of the measures, and a certification, following guidelines in the IRS rules, that the measures meet the qualification criteria.

3. Solar Electric Systems Tax Incentive (State)

Oregon offers a tax credit of up to 35 percent of the incremental cost of a solar energy system. The tax credit is claimed over 5 years: 10 percent the first two years and 5 percent the remaining three years. If the eligible project costs are \$20,000 or less, the tax credit may be taken in one year.

Incentives:

- Payback assumes energy and other values at 25 cents per kWh.
- There is no limit on project size.
- Maximum eligible cost is limited to a 30-year simple payback.

Qualification:

- Apply before you make a financial commitment to the project.
- There is a small application fee.
- Energy savings must be calculated by the solar contractor and verified by the Oregon Department of Energy.

4. Solar Thermal Systems Tax Credits (State)

Oregon offers a tax credit of up to 35 percent of the incremental cost of a solar energy system. The tax credit is claimed over 5 years: 10 percent the first two years and 5 percent the remaining three years. If the eligible project costs are \$20,000 or less, the tax credit may be taken in one year.

Incentives:

- Payback assumes energy and other values at 11.4 cents per kWh.
- There is no limit on project size.
- Maximum eligible cost is limited to a 15-year simple payback.

Qualification:

- Apply before you make a financial commitment to the project.
- There is a small application fee.
- Energy savings must be calculated by the solar contractor and verified by the Oregon Department of Energy.

5. Business Energy Tax Credits (State)

The Oregon Department of Energy offers the Business Energy Tax Credit to those who invest in energy conservation, recycling, renewable energy resources and less-polluting transportation fuels.

Incentives:

The tax credit is 35% of the eligible project costs - the incremental cost of the system or equipment that's beyond standard practice. You take the credit over five years: 10% in the first and second years and 5% each year thereafter. If you can't take the full tax credit each year, you can carry the unused credit forward up to eight years. Those with eligible project costs of \$20,000 or less may take the tax credit in one year.

The tax credit can cover all costs directly related to the project, including equipment cost, engineering and design fees, materials, supplies and installation costs. Loan fees and permit costs also may be claimed. Replacing equipment at the end of its useful life or

equipment required to meet codes or other government regulations is not eligible. Maintenance costs are not eligible.

Eligibility:

Trade, business or rental property owners who pay taxes for a business site in Oregon are eligible for the tax credit. The business, its partners or its shareholders may use the credit. The applicant must own or be the contract buyer of the project (the project owner). The business must use the equipment for the project or lease it for use at another site in Oregon.

A project owner also can be an Oregon non-profit organization, tribe or public entity that partners with an Oregon business or resident who has an Oregon tax liability. This can be done using the Pass-through Option.

Pass through Option

Allows a project owner to transfer the 35% Business Energy Tax Credit project eligibility to a pass-through partner for a lump-sum cash payment. A project owner may be a public entity or non-profit organization with no tax liability or a business with tax liability that chooses to use the Pass-through Option.

You must apply for the tax credit before starting your project. (You may request a waiver, but it will be granted only for business hardships or circumstances beyond your control that caused you to delay your application)

If your project changes (additions, deletions or fundamental changes to the scope of the project) you must re-submit written documentation of the technical changes made and the impact on costs.

Qualification:

Many projects qualify. You should complete an application form that pertains to the type of project you are doing. They include:

- Conservation
- Lighting
- Recycling
- Alternative Fuels
- Hybrid Vehicles
- Rental Dwelling Weatherization
- Transportation
- Sustainable Buildings

Retrofit Projects

To qualify for a tax credit, retrofit projects must be 10% more efficient than existing installation. Lighting retrofit projects must be 25% more efficient than existing lighting. Project owners must report how lighting fixtures, lamps and thermostats replaced in a lighting project (and thereafter) will be recycled. The project must have a simple payback of 1 to 15 years. Rental property weatherization projects qualify for a tax credit if cost-effective. They should have a simple payback of 1 to 30 years.

New Construction Projects

Qualification may be achieved by installing energy-efficiency measures during construction. Measures must reduce energy use by at least 10% compared to a similar building that meets the minimum requirements of the state energy code. The tax credit is

35% of the incremental (or addition) costs of making the project exceed energy code or standard industry practice. Lighting for new construction projects must be 10% more efficient than energy code or standard industry practice. New construction projects must have a simple payback of 1 to 15 years.

Co-generation Projects

Co-generation projects are ones that use the heat by-product of generating electricity. The Oregon Department of Energy uses the standard of 6,800 BTU/kilowatt hour produced and requires that the project be 10% more efficient and have a simple payback of 1 to 15 years.

Renewable Resource Projects

Projects that use solar, wind, hydro, geothermal or biomass to produce energy, displace energy, or reclaim energy from waste may qualify for a tax credit. Renewable resource projects must replace at least 10% of the electricity, gas, or oil used. The energy can be used on site or sold.

Recycled Material Projects

Projects that develop new markets for recycled materials or recycle materials not required by law are eligible for the tax credit. New or replacement equipment for sorting or hauling materials where the recycling is required by law is NOT eligible for the tax credit. Other examples of ineligible projects are recycling of chlorofluorocarbons and used motor oil.

Transportation Projects

Projects that reduce employee commuting or work-related travel and investments in cleaner-burning transportation fuels may qualify for a tax credit. Projects must reduce work-related travel by 25% to be eligible.

6. Community Incentive Fund (State)

The Community Incentive Fund (CIF) Program as well as the Small Community Incentive Fund (SCIF), is one part of the "Oregon Livability Initiative."

Resources that are available through the Livability Initiative are designed to help local communities meet three main goals:

- Increase the supply of affordable housing near jobs and transportation.
- Reduce sprawling development patterns.
- Revitalize urban centers, downtowns, and main streets.

Incentives

The Small Community Incentive Fund (SCIF) is designed to provide the financial incentive or the gap financing that will help local communities meet one or more of the Oregon Livability Initiatives. The fund is not intended to replace other project financing from private or public sources. \$2.6 million in resources is available statewide for the 2006 SCIF Program. Requests are limited to \$80,000 per project. Applicants may not receive more than one allocation of Community Incentive Fund resources for each project.

The SCIF Program is being run at the regional level. Each of the 10 Regional Economic

Revitalization Teams (RERTs) will identify eligible projects within their region to receive these resources in an aggregate amount not to exceed \$240,000.

A minimum of 5% of the available funds in each region will be awarded as loans; the remainder will be awarded as grants.

Qualification

In order to applications must be submitted directly to the local RERTs.

All applications received will be reviewed by the RERTs on their own merit and will be evaluated against selected criteria and other submittals. Proposals which best meet the goals of the Incentive Fund and are determined to be a priority for the region will be recommended for funding. Recommended projects will be forwarded to the Director of Oregon Housing and Community Services (OHCS) for final approval.

Rebates

1. Appliance Efficiency Program

Blachly-Lane offers a program for efficient appliances. Financing options are available for certain Energy Star® rated appliances, or customers have the option of rebates (which are paid as credits on their electric account).

These rebates apply to purchases and installations from January 1, 2006 to December 31, 2006.

A list of the rebates (credits) are listed below: Clothes Washer - ENERGY STAR® \$30, Dishwasher - ENERGY STAR® \$10, Refrigerator - ENERGY STAR® \$10, Water Heater (0.93) \$10, Water Heater (0.94, 20 years) \$25, Electronic Thermostats, Line Voltage, for replacing all existing bi-metal thermostats, \$60 per house.

To make sure your appliance purchase is ENERGY STAR® rated and qualifies for a rebate, check with your retailer or the Oregon Department of Energy web site at <http://egov.oregon.gov/ENERGY/CONS/RES/tax/appliances.shtml>

To apply for the credit on your electric account submit your paid receipt from the appliance dealer and a completed Appliance Rebate Form.

2. Heat Pump Efficiency Program

Blachly-Lane offers an efficiency program for HVAC systems. Financing options are available for heating efficiency improvements, or customers have the option of rebates (which are paid as credits on their electric account) for HVAC systems meeting high efficiency standards. These rebates apply to purchases and installations from January 1, 2006 to December 31, 2006.

Take advantage of this incentive (only for existing homes with electric heat) and install an energy efficient heat pump and duct system.

Air Source Heat Pumps:

- 8.5 minimum HSPF, SEER 14, as listed on Department of Energy website at:
- Available for existing site built homes with electric heat and pre-1994 manufactured homes that are non-Super Good Cents. Heat pump replacements and installations on new construction do not apply.

Geothermal Heat Pumps:

Applies only to homes built after 1979 and before 1993 with existing forced air furnace, central air conditioning and crawl space. Pre-1994 non-Super Good Cents manufactured homes with an electric furnace and central air conditioning also qualify.

Duct Test and Seal:

All ducted systems must be tested and sealed in accordance with PTCS and State tax credit procedures to be eligible for a rebate.

The rebates (credits) that could be obtained are: Air Source Heat Pump \$300, Geothermal Heat Pump \$1,000.

3. New Home Energy Efficiency Program

These efficiency incentives are available for new homes located in Blachly-Lane's service area.

Super Good Cents Manufactured Homes:

Manufactured homes certified as Super Good Cents® qualify for a \$400 rebate.

Energy Star Homes:

New homes constructed to standards of the ENERGY STAR® Homes Program will qualify for a \$600 rebate.

Standards:

Heat Pumps:

- Heat pumps must have minimums of 8.5 HSPF and 14 SEER.
- Duct testing and sealing must be done in accordance with PTCS standards and meet the requirements for the Oregon State tax credit.
- Lighting: A minimum of 50% of sockets must be either ENERGY STAR® bulbs, fixtures, or both.

Zonal Heating:

- A Central Ventilation System is required with 70% heat recovery.
- Lighting: A minimum of 50% of sockets must be either ENERGY STAR® bulbs, fixtures, or both.

4. Weatherization Program

The Blachly-Lane Weatherization Program is effective from January 1, 2006, to December 31, 2006. The program is for existing electrically-heated homes and manufactured homes in the Blachly-Lane service area.

Options:

- Rebate (or credit to electric account) equal to 25% of job cost up to a maximum of \$350 for weatherization items and \$2.00 per sq. ft. for replacement windows (Class 30, U = 0.30) up to a \$350 maximum.
- Zero interest loan up to \$500.
- Prime plus 2% loan from Blachly-Lane up to \$3000.
- Bank loan up to \$5000 with Blachly-Lane buying down the interest rate three (3) percentage points.

Other Rebates:

Single Family Homes - \$175, Electronic Thermostats: Line Voltage thermostats, \$40 each.

To Apply:

- Request recommendations and contractor list from Blachly-Lane.
- Get bids on work to be done. Send accepted copy to Blachly-Lane.
- Request inspection after work is finished.
- Complete the Weatherization Completion Form and include a copy of your paid invoice.

Low-Income Weatherization:

For low-income* households, Blachly-Lane is cooperating with the Housing Authority and Community Services Agency of Lane County (HACSA) to provide weatherization assistance.

5. EWEB - The Bright Way to Heat Water Rebate

Eugene Water & Electric Board (EWEB) offers residential customers a loan and rebate program called, "The Bright Way To Heat Water." The program is designed to promote the installation of solar water heaters and solar pool heating systems. The rebates have been offered since May of 1990, as part of a demand-side management initiative. To date, 950 solar domestic water heating systems and 7 solar pool heating systems have been installed in residential applications.

Incentives

EWEB cash discount and a zero percent interest loan are available.

- Cash discounts available up to \$600 for domestic water heaters, and up to \$1,100 for pool heaters, based on energy savings.
- Zero-interest loans of up to \$4,000, with maximum 60-month term.

Eligibility

- You must own the residential property or be the owner's legally assigned representative.
- You must have EWEB electric service.
- Your current water heater (or pool heater) must be electric.

Qualification

- Make sure you are eligible to participate.
- Contact one or more of the contractors listed in EWEB's Solar Water Heater Program.
- The contractor will determine if your home meets the minimum solar access and collector siting/orientation standards.
- The contractor will provide program and product information and, if applicable, a loan application.
- The contractor will provide you with a written proposal. The proposal will indicate EWEB's cash discount subtracted from the total sales price.
- Decide which system to purchase.

- If you are applying for a loan, complete the loan application. When your loan is approved, you can arrange for the contractor to install the system.
- EWEB inspects the system after installation.
- The cash discount and/or loan is paid when the system passes inspection.

Contacts

Telephone EWEB Energy Management Services at 484-1125.

6. EWEB - Comfort Seal Refund

If you rely upon a heating or cooling system that uses ductwork, increase your comfort and save energy by enlisting the help of EWEB's Comfort SEAL specialists. This EWEB program focuses on sealing leaks in your home's ducts. This program is available for site-built and manufactured homes.

Incentives

Limited-income customers

Free to all EWEB electric customers who meet the income eligibility requirements.

Non-limited income customers

- A \$325 incentive is available for both site-built and manufactured/mobile homes.
- Zero-percent financing is available up to \$3,000.
- A state tax credit is available for up to 25 percent of the cost to a maximum of \$250.

Eligibility

You must be an EWEB electric customer with electric forced air heat, a heat pump, or central air conditioning. The ductwork must be located outside of the heated space—in a crawl space or attic. Non-electric systems are given a referral to state-certified duct contractors.

Program steps

- The customer contacts EWEB about the duct-sealing program.
- An EWEB energy specialist will determine if a duct leakage test is needed.
- If required, EWEB will conduct the duct leakage test and recommend sealing, if appropriate.
- Customer completes a loan application, if appropriate.
- A state-certified duct-sealing contractor seals the leaky systems.
- Upon completion, a customer invoice or loan is processed.

Contacts

Telephone EWEB Energy Management Services at 484-1125

7. EWEB - Centsible Heat Pump Program

Check out EWEB's Centsible Heat Program if you're considering a heat pump for your home. EWEB will help you determine if a heat pump is right for your home, and will

work with your contractor to select an appropriately sized unit. We'll even inspect the installation.

Incentives

Air-Source Heat Pumps (Site-Built and Manufactured/Mobile Homes)

EWEB charges a fee of \$50 for heat pump sizing and administration costs. A \$50 electric bill credit is issued upon system completion. Contingent on loan approval, EWEB offers a zero-interest loan with a five-year term up to a maximum of:

- \$7,000 for a site-built home (about \$117/month for 60 months).
- \$5,000 for a manufactured/mobile home (about \$84/month for 60 months).

Another alternative in lieu of a loan is a \$1,000 rebate (not available for gas or oil furnaces) to be paid after the system passes EWEB's final inspection.

Ground-Source Heat Pumps (Site-Built and Manufactured/Mobile Homes)

EWEB charges a fee of \$50 for heat pump sizing and administration costs. A \$50 bill credit is issued upon system completion. Contingent on loan approval, EWEB offers a zero-interest loan with a five-year term up to a maximum of:

- \$8,000 for site-built homes (about \$133/month for 60 months).
- \$6,000 for manufactured/mobile homes (about \$100/month for 60 months).

A desuperheater water heater is required. This heat pump accessory reclaims waste heat from the heat pump and uses it to supplement the domestic water heater. Another alternative **in** lieu of a loan is a \$1,000 rebate (not available for gas or oil furnaces) to be paid after the system passes EWEB's final inspection.

Eligibility

You must be an EWEB electric customer. However, your heating source may be electric, gas or oil. Your home can be site-built or a manufactured/mobile home.

Program steps

- Request heat pump packet from EWEB and return applications and agreement.
- Upon loan approval, heat pump sizing visit is scheduled.
- After the sizing visit, EWEB mails you a report.
- The customer will solicit bids from EWEB's list of approved heating pump contractors.
- Upon EWEB approval, the contractor installs the system.
- EWEB inspects the system for program compliance.
- EWEB will issue a loan disbursement or a rebate payment.

Contacts

Telephone EWEB Energy Management Services at 484-1125.

8. EWEB - Heat Pump Maintenance Program

Just as you need to periodically have your car serviced to operate properly, heat pumps and central air conditioning systems also need to be serviced to maintain their optimum

operating efficiency. If you have a heat pump or a central air conditioning system, the EWEB Heat Pump Maintenance Program can help you with your service needs.

Incentives

Limited-income customers: Free to all EWEB electricity customers who meet the eligibility requirements.

Non-limited income customers: Call EWEB at 484-1125 and speak to an Energy Management Specialist about incentives available for:

- Check Me!
- Lockout Thermostat
- Soft Start Kit

Eligibility

To qualify for a discount, program participants must be EWEB electric customers with either a heat pump system or a central air conditioner. Check Me! is required to qualify for EWEB financing and incentives.

Program steps

- The customer contacts EWEB and gets a list of contractors.
- A certified contractor completes Check Me! Test on the system, corrects conditions and adds optional equipment upgrades.
- The customer applies for a bill credit, if available.
- Duct problems are repaired to state specifications by the state certified contractors.
- Heat pump replacements are processed through the Centsible Heat program.

Contacts

Telephone EWEB Energy Management Services at 484-1125.

9. EWEB - Comfort STAT

The Comfort STAT Program is designed to increase comfort and decrease space heating costs in homes by installing state-of-the art electronic thermostats. The older style thermostats are frequently inaccurate or faulty, making it difficult to set and maintain comfortable room temperatures. Programmable and standard thermostats are available.

Incentives

Single Family/Owner Occupied Homes

- Zero-percent financing for 12 months is available.
- Financing is in addition to other EWEB loans the customer may qualify for.
- Only non-programmable thermostats are installed in rentals.

Multi-family Rentals

- Zero-interest financing is available.
- Length of financing is negotiated based on the amount financed.
- Only non-programmable thermostats are installed in rentals.

Low-Income

- When a customer meets low-income eligibility guidelines, thermostats are installed at no cost.
- When the tenant of a rental meets low-income guidelines, thermostats are installed at no cost.
- Only non-programmable thermostats are installed in rentals.
- See low-income program description for income eligibility guidelines.

Eligibility requirements

- EWEB residential properties with ceiling heat, wall heaters, or baseboard heat controlled with wall-mounted thermostats.
- Owner's approval if a rental. Programmable thermostats are not recommended for rentals.
- Thermostats must be installed by EWEB contracted electrician.

Program steps

- A Comfort STAT request form is sent to the customer at their request.
- The signed Comfort STAT request form is returned to EWEB.
- Requests will be faxed in batches to the electrical contractor.
- Electrical contractor will contact the customers to schedule an installation appointment.
- Electrical contractor will invoice EWEB.
- EWEB either bills or sets up financing for the customer.

Contacts

Telephone EWEB Energy Management Services at 484-1125.

10. EWEB - Home Appliance Rebate Program

EWEB's appliance program, Energy SHARP™, offers rebates to encourage customers to purchase energy efficient clothes washers, dishwashers, refrigerators and water heaters. The program is straight-forward: you purchase an appliance that's on EWEB's lists of energy efficient units, send in the rebate form, and EWEB sends you a check or credits your electric bill for between \$20 and \$125.\

Incentives

The following rebates are available from Oct. 1, 2005 to Sept. 30, 2006 to Energy SHARP™ program participants:

- ENERGY SHARP dishwashers shall have an Energy Factor (EF) of 0.61 or greater and shall qualify for the Oregon Residential Energy Tax Credit, \$20.
- ENERGY SHARP refrigerators must be at least 20 percent more efficient than the 2001 federal standard and shall qualify for the Oregon Residential Energy Tax Credit, \$30.
- ENERGY STAR Clothes Washer MEF* = 1.8 & higher; supplied by an electric water heater, 125.
- ENERGY STAR Clothes Washer MEF* = 1.8 & higher; supplied by a gas water heater, \$45.
- 6- or 10-Year Warranty Electric Water Heater, \$30
- 20-Year Warranty Electric Water Heater, \$50

(MEF is an equation for Energy Factor that takes into account the amount of dryer energy used to remove the remaining moisture content in washed items).

Eligibility

To qualify for a rebate, eligible appliance models must be installed within the EWEB electric service area. Dishwashers and refrigerators must qualify for the Oregon Residential Tax Credit Program. Clothes washers shall have a Modified Energy Factor of 1.8 or greater.

Program steps

Contact EWEB for lists of qualifying models and rebate coupons. Information is also available at Eugene area appliance dealers. Purchase a qualifying appliance. Complete the coupon/application, attach a copy of the sales receipt showing the brand name and model of qualifying appliance and send both to EWEB. EWEB staff validates the coupon and model information and issues payment.

Contacts

Telephone EWEB Energy Management Services at 484-1125.

11. EWEB – Home Comfort Program

The Home Comfort Program provides home energy information, energy use education, and a customized list of energy-saving measures designed to upgrade the efficiency and comfort of electrically heated homes. A list of approved contractors and inspection of installed measures is offered. Loans are available, upon approved credit.

Incentives

Single Family/Owner Occupied Homes

- \$3,000 zero-interest loan for Energy Star thermal replacement windows.
- Additional zero-interest loan funds are available for insulation as needed.

Single Family Rentals

- Same loan available.
- A Business Energy Tax Credit (BETC) is available to property owners paying Oregon income tax - 35 percent of the project cost may be available to property owners paying Oregon income tax.
- BETC applications must be submitted and approved before the project starts.
- EWEB will complete the BETC application for the owner.

Multi-family Rentals

- \$3,000 zero-interest loan for the first unit, \$6,000 for 2-4 units, plus \$500 for each additional unit up to \$20,000 per owner (6% loans available for amounts over \$20,000.)
- Terms up to 60 months.
- A BETC is available to landlords paying Oregon income tax - 35 percent of the project cost may be available to property owners paying Oregon income tax.
- BETC applications must be submitted and approved before the project starts.
- EWEB will complete the BETC application for the owner.

Low-Income (HACSA - 682-2507)

- Grant funding is available for owner or renter occupied housing.
- Zero-interest loans are also available to qualified customers.
- HACSA - 60 percent of the statewide median income.
- EWEB's W+ program: 60 percent of the statewide median income; medical expenses may be deductible.

Eligibility

- All electrically heated EWEB residential properties.
- Loan approval based on EWEB credit history and/or credit report.

Program steps

Low-Income

- Call HACSA at 682-2507.

Non-Low Income

- Call EWEB at 484-1125 to request information and loan packet.
- An account manager will call and discuss your interests.
- A site visit may be scheduled, if needed.
- Loan approval.
- Get bids and select contractor (Do-it-yourselfers can get a loan for material costs).
- File BETC applications for rentals. If you own rentals a state tax credit is available if you apply and get approval before you weatherize.
- Ask your EWEB account manager.
- Install measures.
- EWEB inspection.
- Payment.

Contacts

Telephone EWEB Energy Management Services at 484-1125.

12. EPUD - Solar Water Heater Program Rebate

EPUD residential customers that switch from electric to solar hot water heaters are eligible for a rebate, as well as the zero-interest loan program.

Incentives

The rebate budget is approximately \$18,000 per year. EPUD provides full funding for the rebate through the Emerald Energy Services (EES) department. The one-time rebate is for \$600 per solar water heater. To date, 151 systems have been installed and over \$91,085 in rebates have been awarded under this program.

Eligibility

To be eligible for the rebate, participants must select an EPUD approved contractor. The contractor first evaluates the site for solar access capability and gives the customer information on the program, a loan application, and an Oregon State Tax Credit form. After choosing a system and installer, the customer must fill out the necessary paperwork and submit it to EPUD, via the contractor, for approval. Once EPUD has notified the customer of contract approval, usually within fifteen days, the solar water heater can be installed. Finally, an EPUD representative inspects the installed system.

Qualified participants may also borrow up to \$4,000 at 0% interest to cover any costs not covered by the rebate. The repayment period is three years (36 months) for loans of \$1,500 or less, and up to five years (60 months) for loans of \$1,500 to \$4,000. EPUD screens all potential loan recipients. The loans are through a local credit union, with EPUD buying down the rate to zero percent. EPUD maintains a budget of \$120,000 per year for its customer loans. To date, \$350,000 in loans have been awarded to Solar Water Heater Program participants.